

# How to rescue Business from a crisis: Eight steps that nobody told you at Business School

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## Extended Abstract

During the last years the Mexican economy has endured many crises, there have been economical; social and political. At the same time the “rules of the game” have changed a lot, first It was the elimination of many trade barriers, then the entrance to GATT and after that the signing of NAFTA. At the same time there was in the whole World a general crisis.

Mexican enterprises, internally speaking had their own problems, first it was the type of Business, Generally speaking there were many family Business with succession problems, having at the same time Business that had to adapt to the changing realities.

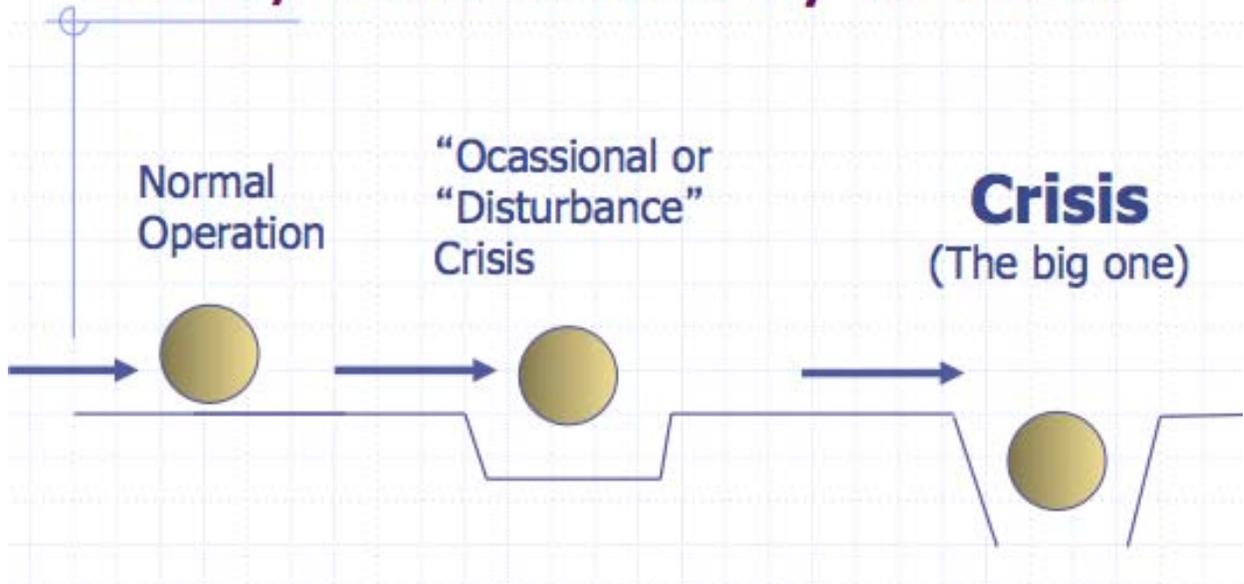
The Author is an Engineer, he got an MBA degree and has worked for more than 25 years as a consultant on the rescue of enterprises in crisis, he is also a full time professor (Business Policy) at IPADE Business School (Mexico), He has been working on a model for the rescue of enterprises that are in crisis.

More than a paper on Enterprises in crisis this is a paper on “How to rescue enterprises that are in crisis,” enterprises that are so badly damaged that you have to take urgent special steps to put them back in normal conditions.

The ideas to be developed in this paper are the fruit of many years of experience in the rescue of enterprises in crisis. It is true that there are different types of industries, but, as we show in the paper, there are patterns that repeat themselves, and the treatment to these situations is similar

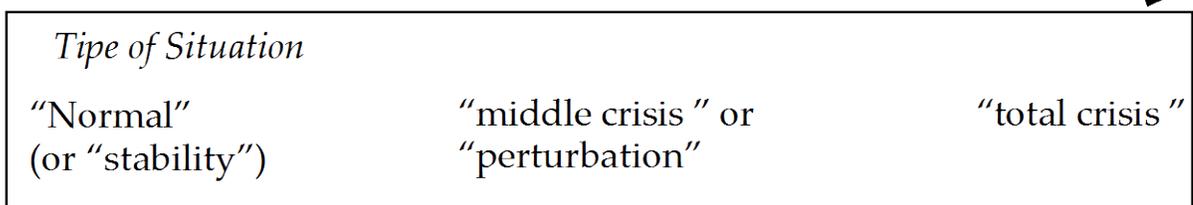
Speaking of crisis; How many different types of them do you know? Let’s suppose that the small ball (in the next figure) is the company, in “normal” operation, you simply push, and the company moves, in a “small” or “occasional” crisis, the company (the small ball) gets into a hole, but all you have to do is push a little harder, and everything will come back to normality. But the real crisis (the “big ones”) are those where the company falls into a deep gap, it won’t serve to push, you’ll have to do different things, different kind of efforts to get back to a normal situation.

# Crisis, from normality to crisis

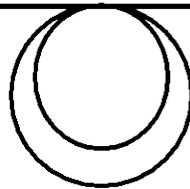


The paper will present the process of rescue, and then will explain each of the steps that help the enterprise to step out of the crisis. The next figure shows the rescue process:

Entering the crisis



Way out of the crisis



(sometimes you stay in middle crisis or perturbations, or even go back to total crisis before regaining stability)

This paper is not a merely theoretical one, even if it tries to search for causes, principles and elements related to the crisis, and how to step out of it. The paper makes a reflection on the suggestions so the audience can see, in a clearer way, why some actions are suggested. This is a practical paper that is mean to help the reader to accomplish precise steps to get out of the crisis.

The main steps of the rescue are four:

1. **Preliminaries**, where some definitions are made about what is a crisis. When a Business is in crisis, it rarely has the time to consider through fully certain aspects in a detailed way about the crisis.
2. **Analysis**, this section of the paper shows how to make a diagnosis of the Business, and to check if it is in a crisis or not. If it is, it shows the importance and characteristics of it, in a way that the reader could evaluate his own enterprise
3. **Plan** It shows the basics to elaborate a plan of rescue, both practice and realistic to save the Business.
4. **Action** In this part we detailed many “steps” where the reader can see a series of concrete actions that can be done during the rescue.

This is a very practical paper, although many books written on the subject have been considered, the author present a different approach to the subject.